PATENT COOPERATION TREATY
PCT
INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY
(Chapter II of the Patent Cooperation Treaty)

(PCT Article 36 and Rule 70)

plicant's or agent's file reference 4149	**FOR FURTHER ACTION**	See Form PCT/IPEA/416
ternational application No. CT/AU2004/000859	International filing date *(day/month/year)* 28 June 2004	Priority date *(day/month/year)* 26 June 2003

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pplicant

   ACCENTURE AUSTRALIA LTD et al

. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.

. This REPORT consists of a total of 3 sheets, including this cover sheet.

. This report is also accompanied by ANNEXES, comprising:

a. [X] *(sent to the applicant and to the International Bureau)* a total of 25 sheets, as follows:

    [X] sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).

    [ ] sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.

b. [ ] *(sent to the International Bureau only)* a total of (indicate type and number of electronic carrier(s))   , containing a sequence listing and/or table related thereto, in computer readable form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).

4. This report contains indications relating to the following items:

[X] Box No. I   Basis of the report

[ ] Box No. II   Priority

[ ] Box No. III   Non-establishment of opinion with regard to novelty, inventive step and industrial applicability

[ ] Box No. IV   Lack of unity of invention

[X] Box No. V   Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

[ ] Box No. VI   Certain documents cited

[ ] Box No. VII   Certain defects in the international application

[ ] Box No. VIII   Certain observations on the international application

Date of submission of the demand 26 April 2005	Date of completion of the report 7 October 2005
Name and mailing address of the IPEA/AU AUSTRALIAN PATENT OFFICE PO BOX 200, WODEN ACT 2606, AUSTRALIA E-mail address: pct@ipaustralia.gov.au Facsimile No. (02) 6285 3929	Authorized Officer **MATTHEW HOLLINGWORTH** Telephone No. (02) 6283 2024

ɔx No. I	Basis of the report

With regard to the **language**, this report is based on the international application in the language in which it was filed, unless otherwise indicated under this item.

☐ . This report is based on translations from the original language into the following language ,
which is the language of a translation furnished for the purposes of:

   ☐ international search (under Rules 12.3 and 23.1 (b))

   ☐ publication of the international application (under Rule 12.4)

   ☐ international preliminary examination (under Rules 55.2 and/or 55.3)

With regard to the **elements** of the international application, this report is based on (*replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report*):

☐ the international application as originally filed/furnished

☒ the description:

          pages **1-2, 8, 10-28** as originally filed/furnished

          pages* **3, 3a, 4-7, 7a-7b, 9** received by this Authority on **30 Sept. 2005** with the letter of same

          pages* received by this Authority on with the letter of

☒ the claims:

          pages as originally filed/furnished.

          pages* as amended (together with any statement) under Article 19

          pages* **29-44** received by this Authority on **30 September 2005** with the letter of **same date**

          pages* received by this Authority on with the letter of

☒ the drawings:

          pages **1-8** as originally filed/furnished

          pages* received by this Authority on with the letter of

          pages* received by this Authority on with the letter of

☐ a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.

3. ☐ The amendments have resulted in the cancellation of:

   ☐ the description, pages

   ☐ the claims, Nos.

   ☐ the drawings, sheets/figs

   ☐ the sequence listing (*specify*):

   ☐ any table(s) related to the sequence listing (*specify*):

4. ☐ This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).

   ☐ the description, pages

   ☐ the claims, Nos.

   ☐ the drawings, sheets/figs

   ☐ the sequence listing (*specify*):

   ☐ any table(s) related to the sequence listing (*specify*):

* *If item 4 applies, some or all of those sheets may be marked "superseded."*

ox No. V   Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

Statement

Novelty (N)	Claims	**1-68**	**YES**
	Claims		**NO**
Inventive step (IS)	Claims	**1-68**	**YES**
	Claims		**NO**
Industrial applicability (IA)	Claims	**1-68**	**YES**
	Claims		**NO**

Citations and explanations (Rule 70.7)

- D1: US 2002/0138381 A1 (TOMECEK et al), 26 September 2002

The above document represents the closest available prior art. The features of the claims are not disclosed in this document, or in any others published before the earliest priority date.

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Therefore, it is an object of the present invention to provide a more efficient system and method for investing funds and more particularly, a more efficient system and method for delivering the advantages of an investment structure such as an IMA.

5 **SUMMARY OF THE INVENTION**

The present invention attempts to overcome at least one of the problems of the prior art by providing a method of investing funds including the allocation of investment funds to asset manager programs wherein the distribution of total funds available for investment to a plurality of asset manager programs is

10 effected by performing the method steps of performing a plurality of intermediate allocations through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation according with a pre-defined rule

15 established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets said allocations forming a network of allocations with intermediate allocations receiving an apportionment of funds from a superior allocation and apportioning funds to a subordinate allocation said method step of allocating funds to subordinate

20 allocation being repeated until all available funds are allocated to a most subordinate allocation representing an asset manager program.

Usually, professional asset managers provide investment programs that specialise in a particular asset or class of assets and having received an allocation of funds, the asset manager operating the particular program is able

25 to concentrate upon the task of managing the funds allocated to their program.

The intermediate allocations form a network of allocations. In this network, an intermediate allocation receives an apportionment of funds from a superior allocation and apportions funds to a subordinate allocation. The most subordinate allocation (ie the allocation for which there are no further available

30 subordinate allocations) is an asset manager. Similarly, the most superior allocation is an investor's total investment portfolio.

Intermediate allocations may be grouped to define categories of allocations with the network of intermediate allocations forming a hierarchy of allocation categories. An intermediate allocation receives an allocation of funds from a

superior allocation category and apportions funds to a subordinate allocation category. In this example, the most subordinate allocation category is

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an asset manager and the most superior allocation category is an Investor's total investment portfolio.

In a preferred embodiment, the allocation categories are individually managed. This is particularly beneficial as the management of allocation
5   categories does not require the skills and expertise of an asset manager. Accordingly, the cost of managing the allocation categories is substantially less than the cost that would be incurred if this task was performed by a skilled asset manager.

In a particularly preferred embodiment, the method includes the step of
10 receiving from asset managers to whom funds have been allocated, a valuation of the invested funds in each of the asset manager programs. Further, the method includes the step of determining a value at each superior allocation, the value being determined from valuations at subordinate allocations.

The valuation of intermediate allocations may occur sporadically,
15 periodically or as a result of a pre-defined trigger. For example, a valuation may be triggered as a result of the value of invested funds with a particular asset manager program exceeding a pre-defined value.

Further, the valuations of the intermediate allocations may be compared with the pre-defined allocation rules to determine the extent of variance with
20 respect to those rules. In a particularly preferred embodiment, the method includes rules relating to the allowable variance of allocation valuations and the pre-defined rules regarding intermediate allocations. In the event that the allowable variance is exceeded, a warning is provided.

Irrespective of the cause for considering a redistribution of invested funds, the
25 method preferably includes the generation of recommended actions for the distribution of investment funds in order to bring the distribution of funds into agreement with the pre-defined allocation rules again. Preferably, the recommended actions include the provision of recommended buy and sell orders with respect to particular securities. In a particularly preferred
30 embodiment, the method includes the step of providing a simulated valuation of the intermediate allocations and the funds invested with individual asset manager programs that would most likely result from executing the recommended actions.

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Preferably, the method is supported by an automated administration process that significantly reduces the requirement for manual intervention with respect to the following administrative tasks:

- Application and account establishment;

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- Re-balancing the distribution of an investor's funds with individual asset manager programs as a result of updated valuations;

- Performance review of individual asset manager programs; and

- Asset manager program replacement.

Automating any aspect of the administration of the method of investing

10 funds of the present invention assists in reducing the overall cost of operating such a method and enhances the attractiveness of implementing the method for holders of relatively low value accounts.

In another aspect, the present invention provides a method of managing invested funds where funds have been allocated to a plurality of asset manager

15 programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a pre-defined rule, the method including the steps of:

20 conducting a review of the value of funds held by the plurality of asset manager programs;

calculating the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the previously conducted review;

25 comparing the calculated intermediate allocations with the pre-defined rules for same; and

in the event that a pre-defined variance between the calculated intermediate allocation and the pre-defined rule for same is exceeded, calculating a new allocation of funds to asset managers in accordance with the

30 pre-defined rules for intermediate allocations.

In a preferred embodiment, the requirement to perform a new calculation of funds distribution to asset managers is provided to a user as a warning that action is required to maintain the integrity of the pre-defined intermediate allocation rules. The new calculation of funds distribution may be presented to

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a user for consideration and preferably, a further calculation is performed to determine the options that are available to effect the new distribution of funds.

In a particularly preferred embodiment, the step of selecting an option and effecting the transfer of funds between asset managers is automated.

5   Conducting a review of the value of funds allocated to asset managers may be on a periodic basis or could be initiated by an event such as a significant change to a stock market index.

In another aspect, the present invention provides a funds investment system for investing funds by allocating those investment funds to a plurality of

10   asset manager programs through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, the system including:

a data input means enabling an operator to enter data relating to pre-

15   defined rules for a plurality of intermediate allocations of funds and an amount of investment funds available;

a calculating means for determining the amount of funds to be allocated to each subordinate allocation said determination according to the pre-defined rule associated with each intermediate allocation; and

20   a data output means for reporting the determined amount of funds to be allocated to the most subordinate allocations each representing asset manager programs.

In a preferred embodiment, the data input means and the data output means is a personal computer connected to a data communications network the

25   personal computer executing computer instruction code that enables an operator to enter pre-defined rules and receive a report of the distribution of funds to be effected to accord with those rules. In this embodiment, the personal computers are connected to a data communications network that is also connected to a central computer that acts as the calculating means. In this

30   embodiment, the central computer is sized to accommodate the computing workload of performing calculations for a reasonably large number of accounts. However, in other embodiments, it is not infeasible for a personal computing device to also act as the calculating means. In any embodiment, the data input, output and calculating means could include any one or more of the following:

a laptop personal computer;

a notebook personal computer;

a wireless laptop personal computer;

a wireless notebook personal computer;

5 a cell phone; or

a cell phone having connection facilities to the data communications network.

In a further aspect, the present invention provides a computer program embodied on a computer readable medium for allocating investment funds to a 10 plurality of asset manager programs through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, wherein said computer program includes computer instruction code for executing tasks including:

15 code for accepting data relating to pre-defined rules for a plurality of intermediate allocations and an amount of investment funds available;

code for calculating the amount of funds to be allocated to each subordinate allocation said calculation according to the pre-defined rule associated with each intermediate allocation; and

20 code for reporting the calculated amount of funds to be allocated to the most subordinate allocations representing asset manager programs.

The code may result in computer instructions that are implemented integrally to a computer or over a network using separate software components. The code may also include components of existing software that effect functions 25 in cooperation with dedicated code developed specifically for the present invention.

In yet another aspect, the present invention provides in a data communications network including communication devices enabling communication between a user and a funds investment system, a method of investing funds with asset 30 manager programs by distributing total funds available for investment to a plurality of asset manager programs said distribution effected by performing the method step of performing a plurality of intermediate allocations through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate

allocations effected external to any asset manager program, each intermediate allocation according with predefined rules supplied to the system by the user over the communications network and repeating the step of performing intermediate allocations until all available funds are allocated with asset

5   manager programs.

In yet another aspect, the present invention provides in a data communications network including communication devices enabling communication between a user and a funds investment system, a method of investing funds with asset manager programs by distributing total funds available for investment to a plurality of asset manager programs said

10   distribution effected by performing the method step of performing a plurality of intermediate allocations through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager

15   program, each intermediate allocation according with predefined rules supplied to the system by the user over the communications network and repeating the step of performing intermediate allocations until all available funds are allocated with asset manager programs:

wherein the method includes the step of receiving from asset managers,

20   to whom funds have been allocated, a valuation of the invested funds in each of the asset manager programs and determining a value at each superior allocation, the value being determined from valuations at subordinate allocations.

In a further aspect, the present invention provides a method of investing

25   funds including the allocation of investment funds to asset manager programs wherein the distribution of total funds available for investment to a plurality of asset manager programs is effected by performing the method steps of performing a plurality of intermediate allocations through a network of allocations, the most subordinate allocations representing the allocation of

30   funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation according with a pre-defined rule established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets with intermediate allocations receiving an apportionment of

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funds from a superior allocation and apportioning funds to a subordinate allocation said method step of allocating funds to subordinate allocations being repeated until all available funds are allocated to a most subordinate allocation representing an asset manager program, wherein the valuations of the

5   intermediate allocations are compared with the predefined allocation rules subsequent to the initial allocation to determine the extent of variance with respect to those rules.

Further benefits and advantages with respect to the present invention become apparent in the following description of a preferred embodiment of the

10 invention.

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For the purposes of this specification, it should be noted that terminology differences exist across countries with respect to the term "asset manager" which in some countries is referred to as a "money manager". Further, the phrase "Individually Managed Account" is sometimes referred to as a
5   "Consultant Wrap" or "Separate Accounts".

INDIVIDUALLY MANAGED ACCOUNT STRUCTURE

With reference to Figure 1, an example arrangement of intermediate allocations is detailed wherein a percentage (b%) of an investor's portfolio is allocated to an Individually Managed Account (IMA) according to the present
10   invention.

Of the total available funds for investment, a pre-defined rule is established at the IMA level setting out the investors preferred customisation of distribution of their funds. For example, at the IMA level of Figure 1, the total funds available for investment are allocated to three classes of asset, namely,
15   Financial Services, Resources and Telecommunications. Although not indicated in Figure 1, the pre-defined rule at this level could require allocation of 20% of the investor's funds into the asset class of Financial Services and 50% and 30% respectively for the classes of Resources and Telecommunications. The application of this pre-defined rule allows the investor to customise the
20   allocation of their investment funds with respect to primary asset classes.

The primary asset classes are identified as residing in tier 1 of the intermediate allocation tree. Each of the intermediate allocations represented by the primary asset classes in Figure 1 also includes a pre-defined rule establishing the preferred allocation of funds in that asset class. For example,
25   the asset class of Resources has further allocations of funds to Energy and Mining asset classes. Although not indicated in Figure 1, the pre-defined rule established for the Resources asset class may require allocation of 50% of funds to that class to each of the subordinate intermediate allocations of the Energy and Mining sub-classes. The Energy and Mining sub-classes are
30   identified as residing at tier 2.

THE CLAIMS DEFINING THE INVENTION ARE AS FOLLOWS:

1. A funds investment system for allocating investment funds to a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate

5 allocations effected external to any asset manager program, the system including:

a data input means enabling an operator to enter data relating to pre-defined rules for a plurality of intermediate allocations of funds and an amount of investment funds available;

10 a calculating means for determining the amount of funds to be allocated to each subordinate allocation said determination according to the predefined rule associated with each intermediate allocation; and

a data output means for reporting the determined amount of funds to be allocated to the most subordinate allocations representing asset manager

15 programs.

2. A funds investment system according to claim 1 wherein the data input means enables an operator to enter data relating to the apportionment of funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets.

20 3. A funds investment system according to claim 1 wherein the calculating means determines the amount an intermediate allocation should receive from a superior allocation.

4. A funds investment system according to any claim 1 wherein the data output means displays the amount of funds allocated to an allocation category.

25 5. A funds investment system according to claim 1 wherein the calculating means receives a valuation from asset managers of the amount of funds invested in each of the asset manager programs and determines a value at each superior intermediate allocation in the network of allocations from valuations at subordinate intermediate allocations.

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6.   A funds investment system according to claim 5 wherein the calculating means determines a valuation of intermediate allocations in the network sporadically.

7.   A funds investment system according to claim 5 wherein the calculating
5   means determines a valuation of intermediate allocations in the network periodically.

8.   A funds investment system according to claim 5.wherein the calculating means determines a valuation of intermediate allocations in the network as a result of a predefined trigger.

10   9.   A funds investment system according to claim 8 wherein the predefined trigger is a value of funds reported from a particular asset manager program said value of funds exceeding a predetermined amount.

10.   A funds investment system according to claim 5 wherein the calculating means determines a valuation of each of the intermediate allocations and
15   compares the determined valuations with the allocation amounts according to the predefined allocation rules said calculating means also determining the extent of variance between the determined valuations and the allocation amounts according to the predefined rules.

11.   A funds investment system according to claim 10 wherein the data output
20   means reports a warning in the event that a calculated variance is exceeded.

12.   A funds investment system according to claim 10 whereupon determining that an allowable variance is exceeded, the calculating means determines recommended actions for the distribution of investment funds in order to bring the distribution of funds into agreement with the predefined rules.

25   13.   A funds investment system according to claim 12 wherein the recommended actions determined by the calculating means includes the provision of recommended buy and sell orders with respect to particular

securities, said recommendations reported by the data output means to the user.

14.   A funds Investment system according to either claim 12 wherein the data output means reports a valuation of the intermediate allocations and the funds
5   that would be invested with individual asset manager programs in the event that the recommended actions were executed.

15.   A funds investment system for managing funds that have been allocated to a plurality of asset manager programs through a plurality of intermediate allocations, the most subordinate allocations representing the allocation of
10   funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation of funds according to a predefined rule, the system including:
        a receiving means for receiving data relating to the value of funds held by the plurality of asset manager programs;
15   a calculating means for determining the value of intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the value data received;
        a comparison means for comparing the determined intermediate allocations with the predefined rules for same; and
20   the calculating means determining a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations in the event that a variance greater than a predetermined amount exists between the determined intermediate allocation and the predefined rules for same.

16.   A funds investment system according to claim 15 wherein the determined
25   new allocation of funds distribution to asset managers is provided to a user by a data output means thus reporting the new distribution required to maintain the integrity of the pre-defined intermediate allocation rules.

17.   A funds investment system according to either claim 15 wherein a data input means is operated by the user to request a calculation to determine the
30   options that are available to effect the new allocation of funds.

18.   A funds investment system according to claim 17 wherein the selection of an option and effecting the transfer of funds between asset managers to accord with the new distribution is automated.

19.   A computer program embodied on a computer readable medium for allocating investment funds to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, wherein said computer program includes computer instruction code for executing tasks including:

code for accepting data relating to predefined rules for a plurality of intermediate allocations and an amount of investment funds available;

code for calculating the amount of funds to be allocated to each subordinate intermediate allocation said calculation according to the pre-defined rule associated with each intermediate allocation; and

code for reporting the calculated amount of funds to be allocated to the most subordinate allocations representing an asset manager programs.

20.   A computer program according to claim 19 wherein the computer program further includes computer instruction code for receiving an instruction from a user to effect a transfer of funds such that each asset manager has funds according to the predefined rules.

21.   A computer program according to claim 20 wherein the computer program further includes computer instruction code for transferring funds to/from asset managers upon receipt of said instruction.

22.   A computer program embodied on a computer readable medium for managing funds that have been allocated to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, and where each intermediate allocation accords with a pre-defined

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rule wherein said computer program includes computer instruction code for executing tasks including:

code for receiving data relating to the value of funds held by the plurality of asset manager programs;

5   code for determining the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the value data received;

code for comparing the determined intermediate allocations with the predefined rules for same and determining whether a variance greater than a

10   predetermined amount exists between the determined intermediate allocation and the pre-defined rules for same; and

code for calculating a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations.

23.   A computer program according to claim 22 wherein the computer

15   program further includes computer instruction code for reporting the calculated new allocation of funds.

24.   A computer program according to claim 23 wherein the computer program further includes computer instruction code for receiving an instruction from a user to effect a transfer of funds to each most subordinate allocation to

20   accord with the calculated new allocation.

25.   A computer program according to claim 23 wherein the computer program further includes computer instruction code for transferring funds to accord with the new allocation.

26.   In a data communications network including communication devices

25   enabling communication between a user and a funds investment system, a method of investing funds with asset manager programs by distributing total funds available for investment to a plurality of asset manager programs said distribution effected by performing the method step of performing a plurality of intermediate allocations through a network of allocations, the most subordinate

30   allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager

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program, each intermediate allocation according with predefined rules supplied to the system by the user over the communications network and repeating the step of performing intermediate allocations until all available funds are allocated with asset manager programs.

5   27.   A method according to claim 26 wherein the communication devices used by the user include any one or more of the following:

> a laptop personal computer;
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> a notebook personal computer;
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> a wireless laptop personal computer;
>
10   a wireless notebook personal computer;
>
> a cell phone; or
>
> a cell phone having connection facilities to the data communications network.

28.   A method according to claim 26 wherein the predefined rules for
15   intermediate allocations are established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets.

29.   A method according to claim 26 wherein the intermediate allocations form a network of allocations and an intermediate allocation receives an
20   apportionment of funds from a superior allocation and apportions funds to a subordinate allocation.

30.   In a data communications network including communication devices enabling communication between a user and a funds investment system, a method of investing funds with asset manager programs by distributing total
25   funds available for investment to a plurality of asset manager programs through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, said distribution effected by performing the method step of performing a plurality of intermediate
30   allocations each intermediate allocation according with predefined rules supplied to the system by the user over the communications network and

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repeating the step of performing intermediate allocations until all available funds are allocated with asset manager programs:

wherein the method includes the step of receiving from asset managers, to whom funds have been allocated, a valuation of the invested funds in each of

5   the asset manager programs and determining a value at each superior intermediate allocation, the value being determined from valuations at subordinate allocations.

31.   A method according to claim 30 wherein the valuation of intermediate allocations occurs sporadically.

10   32.   A method according to claim 30 wherein the valuation of intermediate allocations occurs periodically.

33.   A method according to claim 30 wherein the valuation of intermediate allocations occurs as a result of a predefined trigger.

34.   A method according to claim 33 wherein the predefined trigger is a value

15   of funds with an asset manager program exceeding a predetermined amount.

35.   A method according to claim 30 wherein the valuations of the intermediate allocations may be compared with the predefined allocation rules to determine the extent of variance with respect to those rules.

36.   A method according to claim 30 wherein the method includes rules

20   relating to the allowable variance of allocation valuations as compared with the predefined rules regarding intermediate allocations and in the event that the allowable variance is exceeded, a warning is provided.

37.   A method according to claim 36 wherein the allowable variance is exceeded and the method includes the generation of recommended actions for

25   the distribution of investment funds in order to bring the distribution of funds into agreement with the pre-defined allocation rules.

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38.   A method according to claim 37 wherein the recommended actions include the provision of recommended buy and sell orders with respect to particular securities.

39.   A method according to either claim 37 wherein the method includes the
5   step of providing a simulated valuation of the intermediate allocations and the funds invested with individual asset manager programs that would most likely result from executing the recommended actions.

40.   In a data communications network including communication devices enabling communication between a user and a funds investment system, a
10   method of managing invested funds that have been allocated to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a
15   predefined rule communicated to the system by the user, the funds investment system performing the method steps of:
          obtaining data relating to the value of funds allocated to the plurality of asset manager programs;
          calculating the intermediate allocations that would have led to the
20   distribution of funds to individual asset manager programs according to the value data obtained;
          comparing the calculated intermediate allocations with the pre-defined rules for same; and
          in the event that a predefined variance between the calculated
25   intermediate allocation and the predefined rule for same is exceeded, calculating a new allocation of funds to asset managers in accordance with the pre-defined rules for intermediate allocations.

41.   A method according to claim 40 wherein the requirement to perform a new calculation of funds distribution to asset managers is communicated to the
30   user as a warning that action is required to maintain the integrity of the pre-defined intermediate allocation rules.

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42.   A method according to claim 40 wherein the funds investment system determines the options available to effect the new distribution of funds and communicates same to the user for consideration.

43.   A method according to claim 42 wherein the user selects at least one of
5   the available options and communicates the selection to the funds investment system,. said funds investment system upon receiving said selection effecting transfer of funds to effect the new distribution of funds.

44.   A method of investing funds including the allocation of investment funds to asset manager programs wherein the distribution of total funds available for
10   investment to a plurality of asset manager programs is effected by the method steps of performing a plurality of intermediate allocations through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation
15   according with a pre-defined rule established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets, the intermediate allocations receiving an apportionment of funds from a superior allocation and apportioning funds to subordinate allocations said method step of allocating funds to subordinate allocations being
20   repeated until all available funds are allocated to a most subordinate allocation representing asset manager programs.

45.   A method according to claim 44 wherein the method includes the step of receiving from asset managers, to whom funds have been allocated, a valuation of the invested funds in each of the asset manager programs and determining a
25   value at each superior allocation, the value being determined from valuations at subordinate allocations.

46.   A method according to claim 45 wherein the valuation of intermediate allocations occurs sporadically.

47.   A method according to claim 45 wherein the valuation of intermediate
30   allocations occurs periodically.

48.   A method according to claim 45 wherein the valuation of intermediate allocations occurs as a result of a pre-defined trigger.

49.   A method according to claim 48 wherein the predefined trigger is a value of funds with a particular asset manager program exceeding a predetermined
5   amount.

50.   A method of investing funds including the allocation of investment funds to asset manager programs wherein the distribution of total funds available for investment to a plurality of asset manager programs is effected by performing the method steps of performing a plurality of intermediate allocations through a
10   network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation according with a pre-defined rule established to apportion funds according to an investor's preferred distribution of investment funds to particular
15   assets or classes of assets with intermediate allocations receiving an apportionment of funds from a superior allocation and apportioning funds to a subordinate allocation said method step of allocating funds to subordinate allocations being repeated until all available funds are allocated to a most subordinate allocation each most subordinate allocation representing an asset
20   manager program, wherein the valuations of the intermediate allocations are compared with the predefined allocation rules subsequent to the initial allocation to determine the extent of variance with respect to those rules.

51.   A method according to claim 50 wherein the method includes rules relating to the allowable variance of allocation valuations as compared with the
25   predefined rules regarding intermediate allocations and in the event that the allowable variance is exceeded, a warning is provided.

52.   A method according to claim 51 wherein the allowable variance is exceeded and the method includes the generation of recommended actions for the distribution of investment funds in order to bring the distribution of funds into
30   agreement with the predefined allocation rules.

53. A method according to claim 49 wherein the recommended actions include the provision of recommended buy and sell orders with respect to particular securities.

54. A method according to claim 52 wherein the method includes the step of
5 providing a simulated valuation of the intermediate allocations and the funds invested with individual asset manager programs that would most likely result from executing the recommended actions.

55. A method of managing invested funds that have been allocated to a plurality of asset manager programs through a network of intermediate
10 allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a predefined rule, the method including the steps of:
conducting a review of the value of funds held by the plurality of asset
15 manager programs;
calculating the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the previously conducted review;
comparing the calculated intermediate allocations with the predefined
20 rules for same; and
in the event that a predetermined variance between the calculated intermediate allocation and the pre-defined rules for same is exceeded, calculating a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations.

25 56. A method according to claim 55 wherein the requirement to perform a new calculation of funds distribution to asset managers is provided to a user as a warning that action is required to maintain the integrity of the predefined intermediate allocation rules.

57. A method according to claim 55 wherein a calculation is performed to
30 determine the options that are available to effect a new distribution of funds and said options are presented to a user for consideration.

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58.   A method according to claim 57 wherein the step of selecting an option and effecting the transfer of funds between asset managers is automated.

59.   A method of investing funds including the allocation of investment funds to asset manager programs wherein the distribution of total funds available for
5   investment to a plurality of asset manager programs is effected by performing a plurality of intermediate allocations wherein the intermediate allocations form a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate
10   allocation receiving an apportionment of funds from a superior allocation and apportioning funds to a subordinate allocation with each intermediate allocation of funds according with a pre-defined rule that is established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets the most subordinate allocations representing the
15   allocation of funds to an asset manager, the method including the step of effecting transfer of funds to asset manager programs in accordance with the predefined rules.

60.   A method of managing invested funds that have been allocated to a plurality of asset manager programs through a network of intermediate
20   allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a predefined rule, the method including the steps of:

conducting a review of the value of funds held by the plurality of asset
25   manager programs;

calculating the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the previously conducted review;

comparing the calculated intermediate allocations with the predefined
30   rules for same; and

in the event that a predetermined variance between the calculated intermediate allocation and the pre-defined rules for same is exceeded,

calculating a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations and transferring funds to/from asset manager programs to accord the value of funds held with the predetermined rules.

5   61.   A funds investment system for managing funds that have been allocated to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate
10   allocation according to a predefined rule, the system including:

a receiving means for receiving data relating to the value of funds held by the plurality of asset manager programs;

a calculating means for determining the intermediate allocations that would have led to the distribution of funds to individual asset manager programs
15   according to the value data received;

a comparison means for comparing the determined intermediate allocations with the predefined rules for same;

the calculating means determining a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations in
20   the event that a variance greater than a predetermined amount exists between the determined intermediate allocation and the predefined rules for same; and

a funds transfer means for transferring funds to/from the asset manager programs to accord the value of funds held with the predefined rules. .

62.   A computer program embodied on a computer readable medium for
25   allocating investment funds to a plurality of asset manager programs through a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, wherein said computer program includes computer instruction code for executing tasks
30   including:

code for accepting data relating to predefined rules for a plurality of intermediate allocations and an amount of investment funds available;

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code for calculating the amount of funds to be allocated to each subordinate allocation said calculation according to the pre-defined rule associated with each intermediate allocation;

code for reporting the calculated amount of funds to be allocated to the

5   most subordinate allocations representing asset manager programs;

code for receiving an instruction from a user to effect a transfer of funds such that each asset manager has funds according to the predefined rules; and

code for transferring funds to/from asset managers upon receipt of said instruction.

10   63.   A computer program embodied on a computer readable medium for managing funds that have been allocated to a plurality of asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager

15   program, with each intermediate allocation according to a pre-defined rule wherein said computer program includes computer instruction code for executing tasks including:

code for receiving data relating to the value of funds held by the plurality of asset manager programs;

20   code for determining the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the value data received;

code for comparing the determined intermediate allocations with the pre-defined rules for same and determining whether a variance greater than a

25   predetermined amount exists between the determined intermediate allocation and the pre-defined rules for same;

code for calculating a new allocation of funds to asset managers in accordance with the predefined rules for intermediate allocations;

code for reporting the calculated new allocation of funds to a user and for

30   receiving an instruction from a user to effect a transfer of funds to each most subordinate allocation to accord with the calculated new allocation; and

code for transferring funds to accord with the new allocation.

64.   In a data communications network including communication devices enabling communication between a user and a funds investment system, a method of investing funds including the allocation of investment funds to asset manager programs by distribution of total funds available for investment to a

5   plurality of intermediate allocations wherein the intermediate allocations form a network of allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, each intermediate allocation receiving an apportionment of funds from a superior allocation and

10   apportioning funds to a subordinate allocation, with each intermediate allocation of funds according with predefined rules supplied to the system by the user over the communications network, the predefined rules established to apportion funds according to an investor's preferred distribution of investment funds to particular assets or classes of assets, the method including the step of effecting

15   transfer of funds to asset manager programs in accordance with the predefined rules.

65.   In a data communications network including communication devices enabling communication between a user and a funds investment system, a method of managing invested funds that have been allocated to a plurality of

20   asset manager programs through a network of intermediate allocations, the most subordinate allocations representing the allocation of funds to an asset manager program with all superior intermediate allocations effected external to any asset manager program, with each intermediate allocation according with a predefined rule communicated to the system by the user, the funds investment

25   system performing the method steps of:

obtaining data relating to the value of funds allocated to the plurality of asset manager programs;

calculating the intermediate allocations that would have led to the distribution of funds to individual asset manager programs according to the

30   value data obtained;

comparing the calculated intermediate allocations with the pre-defined rules for same; and

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in the event that a predefined variance between the calculated intermediate allocation and the predefined rule for same is exceeded, calculating a new allocation of funds to asset managers in accordance with the pre-defined rules for intermediate allocations and transferring funds to/from

5   asset manager programs to accord the value of the funds held with the predefined rules.

66.   A funds investment system according to claim 1 wherein the intermediate allocations are grouped to define categories of allocations said categories being individually managed by a computing means in operable communication with

10 the calculating means such that the computing means receives data relating to the amount of funds allocated to each intermediate allocation and/or each allocation category.

67.   A computer program embodied on a computer readable medium according to claim 19 wherein intermediate allocations are grouped to define

15 categories of allocations, the computer program including code for reporting the amount of funds allocated to each intermediate allocation and/or allocation category thus enabling the allocation categories to be individually managed.

68.   A method according to any one of claims 26, 44, 59 or 64 wherein

20 intermediate allocations are grouped to define categories of allocations, the method including the step of reporting the amount of funds allocated to each intermediate allocation and/or allocation category thus enabling the allocation categories to be individually managed.

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Amended Sheet
IPEA/AU